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FOR IMMEDIATE RELEASE:

INDICTMENT RETURNED IN PERF FRAUD CASE

Christina McKee, Temporary Acting United States Attorney for the Southern District of Indiana, announced that JAMES A. SPAULDING, CARSON L. BRYANT, JR., CHARLES L. BURNEY, WALTER L. HOLLOWAY, AARON L. PRICE, LADONNA J. JACKSON, and DEBRA D. TURNER, all of Indianapolis, Indiana, were indicted by the federal grand jury today for bank fraud, money laundering and other offenses in connection with the theft of more than \$220,000 in funds from the Public Employees Retirement Fund of Indiana (PERF). The charges are the result of a joint investigation by the Indiana State

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Police, the Internal Revenue Service--Criminal Investigation, and the U.S. Secret Service.

The Indictment alleges that SPAULDING, worked with six other persons, BRYANT, BURNEY, HOLLOWAY, PRICE, JACKSON and TURNER, to steal \$226,773.63 from PERF. SPAULDING allegedly worked as a temporary employee at PERF from January 28, 2002 through July 3, 2002 on a special project known as the "Minimum Distribution Project." This Project was designed to locate living and deceased PERF members and beneficiaries who were at least 70 ½ years of age, and who had not yet received distributions. The goal of the project was to distribute retirement funds to members still living or to locate and distribute funds to the beneficiaries or survivor of the deceased members.

As part of his duties at PERF, SPAULDING allegedly had access to the personal identifying information contained in computer records and documents maintained by PERF. He also allegedly had the ability to make changes to these records and cause PERF to issue checks drawn on the retirement accounts of its members. These checks were drawn on an account PERF maintained at Bank One, NA.

As part of the bank fraud scheme, SPAULDING allegedly made false and fraudulent changes to the information contained in the PERF computer system to cause benefit checks to be issued to BRYANT, BURNEY, HOLLOWAY, PRICE, JACKSON, TURNER, and BURNEY's half-brother, Correy Harrison, who was not involved in the scheme. SPAULDING allegedly knew the other defendants through various social connections and he allegedly changed PERF records to show that his co-defendants were the beneficiaries of seven deceased PERF members. BRYANT, BURNEY, HOLLOWAY, PRICE, JACKSON, and

TURNER then allegedly cashed the fraudulently issued the resulting benefit checks, which incorrectly stated that these persons were the beneficiaries of seven deceased PERF members.

BURNEY a/k/a Correy Harrison is also charged with allegedly misusing the social security number of his half-brother, Correy Harrison, in connection with bank fraud scheme and allegedly making false statements about his identity on a Currency Transaction Report he caused to be prepared in connection with his withdrawal of over \$22,000 in U.S. Currency from an account in Harrison's name.

According to Assistant United States Attorney Steven D. DeBrotta, who is prosecuting the case for the government, each of the seven bank fraud offenses carries a maximum penalty of up to 30 years of imprisonment and a fine of up to \$1,000,000. Each of the eight illegal monetary transactions offenses carry a maximum penalty of up to 10 years of imprisonment and a fine of up to \$250,000. The misuse of a social security number and the making of a false statement on a Currency Transaction Report offenses carry a maximum penalty of up to 5 years of imprisonment and a fine of up to \$250,000.

As a result of prior hearings in the case, SPAULDING and BURNEY were previously detained without bond and HOLLOWAY was ordered to reside at the Volunteers of America, a community confinement facility in Indianapolis. PRICE, JACKSON and TURNER were placed on home detention with electronic monitoring.

The Indictment is an allegation only, and the defendants are presumed innocent unless and until proven guilty at trial or by guilty plea.

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